



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**

(Implements RCW 34.05.310)

Do NOT use for expedited rule making

**Agency:** Department of Ecology AO # 11-07

**Subject of possible rule making:** The Air Quality Fee Regulation ([Chapter 173-455 WAC](#)) includes fees for a number of air quality activities. This rule-making will focus on:

1. Increasing registration program fees for businesses that release small amounts of emissions and report that emissions every three years
2. Clarifying the process for calculating general registration fees.
3. Re-establishing air quality inspection fees for gas stations and other sources that dispense gasoline.
4. Providing a method for making future fee increases. This change will not result in any additional fee increases at this time. This methodology will not apply to the retail sales fee on wood stoves in [WAC 173-455-060](#).
5. Making housekeeping changes to increase the understanding of the rule and clarify the rules' intent, such as consolidating registration program fees in one location.

Fees for business that report emissions annually are being increased through the procedures and formula currently established in rule ([WAC 173-455-040](#)), and went into effect in 2012 based on 2011 legislative direction.

**Statutes authorizing the agency to adopt rules on this subject:** [RCW 70.94.151](#), Section 302(2), Chapter 50, Laws of 2011 ([2ESHB 1087](#)), and Section 302(9), Chapter 158, Laws of 2012 ([3ESHB 2127](#))

**Reasons why rules on this subject may be needed and what they might accomplish:** See Attachment A.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** Seven local air agencies regulate sources in their jurisdiction. These are the [Benton Clean Air Agency](#), [Northwest Clean Air Agency](#), [Olympic Region Clean Air Agency](#), [Puget Sound Clean Air Agency](#), [Southwest Clean Air Agency](#), [Spokane Regional Clean Air Agency](#), and [Yakima Regional Clean Air Agency](#). While there is no regulatory overlap between agencies regarding fees, Ecology will apprise the agencies of our actions via email at the rule-making milestones of pre-proposal, proposal and adoption.

**Process for developing new rule (check all that apply):**

- ☐ Negotiated rule making  
☐ Pilot rule making  
☐ Agency study  
☒ Other (describe)

Ecology will hold public meetings to give an overview of the key issues related to this rule-making and explain the different ways interested parties can participate in the rule-making process. In addition to the two meetings we have already held, Ecology is holding two meetings, each addressing a separate topic. The general registration meeting on May 31 will cover concerns about increasing registration fees. The meeting to discuss re-establishing the gas station inspection fee will be a video conference on June 14<sup>th</sup>. A call-in number will be available for each meeting. Click on the website link below, or contact Elena Guilfoil (see below) for location, time, and call-in numbers for each of the meetings.

We will also send notice to those impacted by the rule change. To explain the elements of the proposed fee schedules, Ecology will distribute information via a web site, press release, mailing and agency email list serve. Ecology will also hold at least one public hearing on the rule proposal during the comment period (likely in September).

To follow our rule-making process, click on <http://www.ecy.wa.gov/laws-rules/wac173455/1107.html>.

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**DATE**

May 21, 2012

**NAME (TYPE OR PRINT)**

Stu Clark

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**TITLE**

Program Manager, Air Quality Program

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**DATE: May 23, 2012**

**TIME: 10:59 AM**

**WSR 12-11-133**

## **Attachment A.**

### **Reasons why rules on this subject may be needed and what they might accomplish**

#### **What is the purpose of the Air Quality Source Registration Program?**

Businesses that generate small and moderate amounts of air pollution must participate in the Air Quality Source registration program. The registration program is necessary to ensure that sources of air pollution operate in a way that minimizes emissions to comply with the Clean Air Act and protect human health.

The registration information helps us to:

- Maintain a current and accurate record of air pollution sources in Washington.
- Provide businesses with technical assistance on how to comply with Clean Air Act requirements.
- Verify that businesses are complying with air pollution control requirements.
- Evaluate the effectiveness of air pollution control strategies.
- Gather and verify emissions data.

#### **Why are we increasing fees for businesses that report their emissions every three years?**

Businesses that report emissions every three years are periodic registration program sources. The Air Quality Source Registration Program currently relies heavily on state General Fund dollars. To help cover the cost and to reduce reliance on the General Fund, the Legislature directed Ecology to increase the general registration program fees by up to 36 percent. Even with this increase, the fees will not cover all of the costs to operate this program.

#### **Why are we re-establishing registration fees for gas stations and other businesses that emit gasoline vapors?**

Gasoline recovery systems that aren't routinely inspected for compliance with air quality requirements are much more likely to fail, putting the public at risk. Gasoline vapors contain toxic and carcinogenic chemicals. They also contain volatile organic compounds that contribute to ozone, another human health hazard. If safeguards aren't in place, these harmful fumes can escape as gas is transferred into storage tanks or dispensed at the pump.

Ecology has jurisdiction over air quality in San Juan County in western Washington and most counties in central and eastern Washington. (Other areas in Washington are regulated by clean air agencies.) Ecology is the only regulatory agency in Washington without an air quality gasoline vapor recovery system inspection program.

#### **Why are we considering other rule changes?**

Ecology is making changes that will improve the usability of the rule and provide more transparency regarding fees. Examples include clarifying the process for calculating general registration program fees and establishing a method for increasing fees in the rule. Consolidating registration program fees in one location will reduce the time spent searching for a fee. Including a method for increasing fees simplifies the process to update fees in the future.